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EXCHANGE WAGERING RULES APPROVED

SACRAMENTO, CA – The Office of Administrative Law notified the California Horse Racing Board today that all exchange wagering rules have been approved and are effective immediately. However, even though the regulatory framework is now in place, exchange wagering cannot begin in California until an agreement is reached between one or more exchange wagering companies, a racing association or fair, and horsemen, and then approved by the Board.

Exchange wagering is a non-traditional form of pari-mutuel wagering between two bettors – one backing a horse and the other wagering against the horse at agreed-upon odds.

The OAL action completes a regulatory process that began two years ago. The Board conducted numerous public hearings before eventually approving 25 rules for the regulation of exchange wagering, including rules covering license applications, operating plans, monitoring systems, and financial and security audits of exchange wagering providers. Those rules were submitted to OAL for review and approval, and some were resubmitted to address OAL concerns.

The Horse Racing Law and regulations require any exchange wagering company to reach an agreement with a racing association or fair and the horsemen responsible for negotiating purse agreements. The provider must submit the agreement along with an application to the CHRB at least 90 days before the expected start of exchange wagering. Exchange wagering can only begin if the Board approves the application at a public meeting.

All exchange wagering regulations can be viewed on the CHRB Website (www.chrb.ca.gov) through the links Board/Rules and Law/Important Rule Updates (Modified Text-Part 1, Modified Text-Part 2, and Non-Modified Texts).

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